

Untitled

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2

3 In the Matter of:)

4) File No. HO-09634-A

5 SEDONA SOFTWARE SOLUTIONS)

6 WITNESS: Stuart Smith

7 PAGES: 1 through 144

8 PLACE: 100 F Street, N.E.

9 Washington, D.C. 20549

10 DATE: Tuesday, September 26, 2006

11

12

13 The above-entitled matter came on for hearing, pursuant
14 to notice, at 10:10 a.m.

15

16

17

18

19

20

21

22

23

24 Diversified Reporting Services, Inc.

25 (202) 467-9200

□

Untitled

1 APPEARANCES:

2

3 On behalf of the Securities and Exchange Commission:

4 IVONIA SLADE, ESQUIRE

5 MICHAEL UNGAR, ESQUIRE

6 United States Securities and Exchange Commission

7 100 F Street, N.E.

8 Washington, D.C. 20549

9 202-551-4771

10

11 On behalf of the witness:

12

13 WILLIAM E. DONNELLY, ESQUIRE

14 LeClair Ryan

15 1701 Pennsylvania Avenue, N.W., Suite 1045

16 Washington, D.C. 20006

17 202-659-6710

18

19

20

21

22

23

24

25

□

39

1 THE WITNESS: But I don't know.

2 BY MS. SLADE:

3 Q Okay. Okay.

4 A I couldn't --

6 Q So I just want to clarify something. When Brian
7 asked you to be a director of Warwick Ventures, did he tell
8 you that your only responsibility would be to sign documents?

9 A Correct.

10 Q And that, for that service, you would be paid 2,000
11 per year?

12 A **Correct.**

13 Q okay. And at the time that he asked you, were you
14 aware that any of your other friends had a similar
15 arrangement?

16 A Yes.

17 Q Okay. Who were you aware had a similar
18 arrangement?

19 A I'm sorry. Once again, I can't -- I don't
20 recollect the time.

21 MR. DONNELLY: Do you recollect any of the names of
22 people who had a similar arrangement?

23 THE WITNESS: To date?

24 BY MR. UNGAR:

25 Q Yeah.

1

40

1 BY MS. SLADE:

2 Q Right now do you recall?

3 A Yes. There were numerous -- again, it's all in the
4 paper as well --

5 Q okay.

6 A -- SO --

7 Q So Eric Collins?

8 A Correct.

Untitled

9 Q He's a friend of yours?
10 A Yes.
11 Q And he's someone that you knew was a signature
12 director?
13 A Yes.
14 Q Okay.
15 BY MR. UNGAR:
16 Q Just stop a second. Are you familiar with the term
17 signature director?
18 A No.
19 Q Okay.
20 BY MS. SLADE:
21 Q Okay. I'll --
22 BY MR. UNGAR:
23 Q we're just using it --
24 BY MS. SLADE:
25 Q -- define it --

□

41

1 BY MR. UNGAR:
2 Q -- as a director whose sole responsibility is to
3 sign documents.
4 A All right. Okay. Fine.
5 BY MS. SLADE:
6 Q So you were aware that Eric Collins was a signature
7 director for Brian Lines and LOM?
8 A I -- again, I couldn't state that as fact.
9 Q Okay.
10 A I didn't know -- I can't say that as fact.
11 Q Okay.

42

1 BY MR. UNGAR:

2 Q How about --

3 A -- he could have been a full blown director or --

4 BY MS. SLADE:

5 Q Uh-huh.

6 A I can't --

7 BY MR. UNGAR:

8 Q Which other friends of yours do you -- are you

9 aware ever served in a similar function as you did? And I'm

10 referring to the function of being a director whose sole

11 responsibility is to sign documents. For example, are you

12 aware that Kevin Winter got paid from LOM to do that?

13 A It's a difficult question, 'cause I'm not sure of

14 his relationship with that company, whether he was a

15 signature director or what he was with that company.

Untitled

16 Q How about Graham Redford?
17 A It's the same.
18 BY MS. SLADE:
19 Q Is he a friend of yours?
20 A He's a friend of mine too.
21 Q Okay. Do you know if he was paid a yearly fee?
22 A I can't -- again, I believe so, but I cannot --
23 Q Okay.
24 A -- categorically state that.
25 Q Okay. Is Richard King a friend of yours also?

□

43

1 A Yes.
2 Q Okay.
3 BY MR. UNGAR:
4 Q And do you know whether he was paid to act as a
5 signature director?
6 A I assume. I can only assume. I am not sure.
7 Q Have you ever -- again, the other -- I guess the
8 other part of this is have you had any discussions with Kevin
9 Winter, Eric Collins, Graham Redford, or Richard King --
10 A Yes.
11 Q -- about --
12 MR. DONNELLY: Let's let him --
13 THE WITNESS: Okay.
14 BY MR. UNGAR:
15 Q -- about -- it's okay -- about being a signature
16 director for LOM or getting paid to sign documents?
17 A The question is a little loaded, because I'm not
18 sure if they were signature directors. I don't know what

Untitled

19 they were, but, yes, they were grouped with me in the paper,
20 so --

21 BY MS. SLADE:

22 Q And so you had a conversation with them about being
23 grouped in the paper --

24 A Yes.

25 Q -- or -- okay.

1